

ASSEMBLY, No. 3024

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by:

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

SYNOPSIS

Establishes innovation zone program to stimulate technology industry clusters around New Jersey's research institutions; allows certain technology businesses located in certain innovation zones to receive certain tax credits under Grow New Jersey Assistance Program.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing an innovation zone program in the New Jersey
2 Economic Development Authority, amending and supplementing
3 P.L.1974, c.80 (C.34:1B-1 et seq.), and amending P.L.2011,
4 c.149.

5
6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8
9 1. (New section) a. The Legislature finds and declares that:

10 (1) New Jersey's historic legacy of innovation and invention has
11 contributed to its national reputation as the home of numerous
12 advanced technology industries;

13 (2) New Jersey must continue to meet the challenges and
14 opportunities of the global marketplace by fostering the creation of
15 high-quality jobs that will sustain a knowledge-based economy that
16 thrives on innovation and entrepreneurship in order to bring
17 advanced technologies to market;

18 (3) New Jersey should capitalize on its competitive advantage
19 through economic development initiatives that support the State's
20 world-class academic research universities, colleges, and science
21 and technology industries;

22 (4) Relationships between industrial and academic research in
23 the State must be strengthened to sustain New Jersey's economy and
24 to propel it to an even higher level of performance;

25 (5) The State of New Jersey and the New Jersey Economic
26 Development Authority (authority) have supported the research and
27 development efforts of technology companies by developing
28 financial assistance programs and laboratory space in
29 commercialization centers underway in Camden, the New
30 Brunswick area, and Newark;

31 (6) The authority has the ability to acquire land and develop
32 shared infrastructure that is specialized to the needs of later stage
33 businesses such as pilot scale production centers;

34 (7) Pursuant to Executive Order No. 128 of 2004, Governor
35 McGreevey created three "innovation zones" to stimulate industry
36 clusters around certain research universities and research hospitals
37 (research institutions); and

38 (8) The Legislature enacted the "Economic Opportunity Act of
39 2013," P.L.2013, c.161 (C.52:27D-489p et al.) and other laws that
40 lead to job creation, innovation, and economic growth in the high-
41 technology industry in this State.

42 b. The Legislature determines that it is in the public interest to
43 establish three expanded innovation zones surrounding New
44 Jersey's research institutions, to be located in Greater Camden,
45 Greater New Brunswick, and Greater Newark and that:

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 (1) The goal of the innovation zones program is to attract high-
2 technology businesses and research scientists to these defined areas,
3 where proximity to research institutions will increase the
4 collaborative research effort between the academic communities
5 and New Jersey's high-technology industry, resulting in business
6 and job growth;

7 (2) These innovation zones will serve to spur partnerships
8 between New Jersey's research institutions, and industries, and will
9 encourage the more rapid transfer of discoveries from New Jersey's
10 laboratories to the marketplace;

11 (3) The creation of the innovation zones will require the
12 focusing of resources on geographic areas where research clusters
13 presently exist or have the potential to form because of the location
14 of research institutions; and

15 (4) These geographic areas will also be made more attractive to
16 businesses, entrepreneurs, and researchers by the availability of
17 alternative housing opportunities, access to public transportation,
18 and workforce development initiatives that provide customized
19 training for all level of employees.

20
21 2. (New section) As used in section 1 through 9 of P.L. ,
22 c. (C.) (pending before the Legislature as this bill):

23 "Authority" means the New Jersey Economic Development
24 Authority established pursuant to section 4 of P.L.1974, c.80
25 (C.34:1B-4).

26 "Greater Camden" means Camden City, Egg Harbor Township,
27 Galloway Township, Glassboro Borough, Harrison Township in
28 Gloucester County, Mantua Township, and Stratford Borough.

29 "Greater New Brunswick" means East Windsor Township,
30 Ewing Township, Franklin Township in Somerset County,
31 Hopewell Township and Lawrence Township in Mercer County,
32 New Brunswick City, North Brunswick Township, Piscataway
33 Township, Plainsboro Township, Princeton Borough, South
34 Brunswick Township, Trenton City, and West Windsor Township.

35 "Greater Newark" means Belleville Township, Clifton City, East
36 Orange City, Hoboken City, Little Falls Township, Livingston
37 Township, Montclair Township, Newark City, Nutley Township,
38 and Orange City.

39 "Innovation zone" means a geographic area that surrounds a
40 research institution, which has the potential of attracting a
41 collaborative research effort between the academic communities,
42 research institutions, and New Jersey's high-technology industry,
43 resulting in business and job growth.

44 "Research institution" means an institution of higher education,
45 as defined in section 2 of P.L.1977, c.123 (C.18A:68-11.2), a
46 research hospital, or any combination thereof.

47 "Secretary" means the Secretary of Higher Education.

1 3. (New section) The authority shall establish an "innovation
2 zone" program within the authority which shall consist of three
3 innovation zones, with each zone surrounding all research
4 institutions located in Greater Camden, Greater New Brunswick,
5 and Greater Newark.

6
7 4. (New section) An innovation zone may consist of one or
8 more subzones established by the authority where an innovation
9 zone consists of geographic areas or municipalities that are non-
10 contiguous so long as a subzone surrounds a research institution.
11 The executive director of the authority shall recommend the precise
12 geographic boundaries of the innovation zones and subzones, which
13 shall surround all research institutions within Greater Camden,
14 Greater New Brunswick, and Greater Newark, to the board
15 members of the authority, who shall have final approval to the
16 geographic boundaries of the innovation zones and subzones. An
17 innovation zone or subzone's geographic boundaries shall be
18 established in order to accommodate the targeting of financial
19 resources to those geographic areas surrounding a research
20 institution, as provided pursuant to section 5 of P.L. , c. (C.)
21 (pending before the Legislature as this bill).

22
23 5. (New section) The authority, with the approval of the State
24 Treasurer, shall modify its existing business assistance programs, if
25 permissible by law, to give bonuses or other enhanced incentives to
26 high-technology businesses that locate in an innovation zone, so
27 long as the business location is within the surroundings of a
28 research institution, as determined by the authority in the
29 designation of the innovation zone.

30
31 6. (New section) The authority and the secretary shall modify
32 their programs, if permissible by law, to promote and support
33 networks and collaboration between high-technology businesses
34 and research institutions in the innovation zones, to increase federal
35 funding to research institutions in areas of strategic importance to
36 New Jersey's high-technology industry, to promote the transfer of
37 technology and commercialization of new ideas in the innovation
38 zones, and to further develop support for high-technology
39 companies in the innovation zones including, but not limited to,
40 business incubation and grant writing assistance services.

41
42 7. (New section) The authority shall work cooperatively with
43 other State departments, agencies, boards, commissions, and
44 authorities to explore and implement opportunities to direct
45 resources to those areas within the innovation zones that surround a
46 research institution, as determined by the authority pursuant to
47 section 5 of P.L. , c. (C.) (pending before the Legislature
48 as this bill) and may provide technology, financial, and workforce

1 development opportunities, infrastructure, and housing elsewhere
2 within the innovation zones. With the assistance of these State
3 entities, the executive director of the authority and the secretary
4 may recommend potential future innovation zones or subzones
5 surrounding other research institutions to the board members of the
6 authority to enhance cluster-based economic development strategies
7 anchored by research institutions.

8
9 8. (New section) a. The authority and the secretary are
10 authorized to call upon any department, authority, commission,
11 board, office, division, or agency of the State to provide any
12 information, resources, or other assistance deemed necessary to
13 discharge their responsibilities under P.L. , c. (C.)
14 (pending before the Legislature as this bill), including, but not be
15 limited to: the Department of Treasury for assistance with high-
16 technology business funding assistance programs; the Department
17 of Labor and Workforce Development for assistance in developing
18 workforce development strategies; the Department of
19 Transportation and the New Jersey Transit Corporation for
20 assistance in enhancing public transportation networks and
21 infrastructure; the New Jersey Business Action Center to assist in
22 business attraction efforts and advising on smart growth
23 development strategies; and the Department of Community Affairs
24 for assistance in expanding housing opportunities and the
25 coordination with the Urban Enterprise Zone program.

26 b. Each department, authority, commission, board, office,
27 division, and agency of the State is hereby required to cooperate
28 with the authority and the secretary to furnish the authority and
29 commission with any information, personnel, and assistance as is
30 necessary to accomplish the purposes of P.L. , c. (C.)
31 (pending before the Legislature as this bill).

32
33 9. (New section) The authority shall establish an advisory
34 committee for each innovation zone whose membership shall
35 selected by the executive director of the authority. The advisory
36 committee shall consist of local technology business leaders and
37 representatives from the research community. Each advisory
38 committee shall meet quarterly to advise the authority and the
39 secretary with respect to the functioning of the innovation zones
40 and the needs of the local high-technology industry. Members of
41 the advisory committee shall serve without compensation, but may
42 be reimbursed for their actual and necessary expenses incurred in
43 the performance of their duties pursuant to P.L. , c. (C.)
44 (pending before the Legislature as this bill) within the limits of
45 funds appropriated or otherwise made available by the authority to
46 the advisory committee for its purposes.

47 10. Section 5 of P.L.1974, c.80 (C.34:1B-5) is amended to read
48 as follows:

- 1 5. The authority shall have the following powers:
- 2 a. To adopt bylaws for the regulation of its affairs and the
3 conduct of its business;
- 4 b. To adopt and have a seal and to alter the same at pleasure;
- 5 c. To sue and be sued;
- 6 d. To acquire in the name of the authority by purchase or
7 otherwise, on **[such]** terms and conditions and **[such]** manner as
8 **[it]** the authority may deem proper, or by the exercise of the power
9 of eminent domain in the manner provided by the "Eminent Domain
10 Act of 1971," P.L.1971, c.361 (C.20:3-1 et seq.), any lands or
11 interests therein or other property which **[it]** the authority may
12 determine is reasonably necessary for any project; provided,
13 however, that the authority, in connection with any project, shall
14 not take by exercise of the power of eminent domain any real
15 property except upon consent thereto given by resolution of the
16 governing body of the municipality in which **[such]** the real
17 property is located; and provided further that the authority shall be
18 limited in its exercise of the power of eminent domain in connection
19 with any project in qualifying municipalities, as defined under the
20 provisions of P.L.1978, c.14 (C.52:27D-178 et seq.), or to
21 municipalities which had a population, according to the latest
22 federal decennial census, in excess of 10,000;
- 23 e. To enter into contracts with a person upon **[such]** terms and
24 conditions as the authority shall determine to be reasonable,
25 including, but not limited to, reimbursement for the planning,
26 designing, financing, construction, reconstruction, improvement,
27 equipping, furnishing, operation, and maintenance of the project
28 and to pay or compromise any claims arising therefrom;
- 29 f. To establish and maintain reserve and insurance funds with
30 respect to the financing of the project or the school facilities project
31 and any project financed pursuant to the "Municipal Rehabilitation
32 and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et
33 al.);
- 34 g. To sell, convey, or lease to any person all or any portion of a
35 project for **[such]** consideration and upon **[such]** terms as the
36 authority may determine to be reasonable;
- 37 h. To mortgage, pledge, or assign or otherwise encumber all or
38 any portion of a project, or revenues, whenever **[it]** the authority
39 shall find **[such]** that action to be in furtherance of the purposes of
40 **[this act]** P.L.1974, c.80 (C.34:1B-1 et seq.), P.L.2000, c.72
41 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic
42 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007,
43 c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009,
44 c.90 (C.52:27D-489c et al.);
- 45 i. To grant options to purchase or renew a lease for any of
46 **[its]** the authority's projects on such terms as the authority may
47 determine to be reasonable;

1 j. To contract for and to accept any gifts or grants or loans of
2 funds or property or financial or other aid in any form from the
3 United States of America or any agency or instrumentality thereof,
4 or from the State or any agency, instrumentality, or political
5 subdivision thereof, or from any other source and to comply,
6 subject to the provisions of P.L.1974, c.80 (C.34:1B-1 et seq.),
7 section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72
8 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic
9 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), and
10 P.L.2007, c.137 (C.52:18A-235 et al.), with the terms and
11 conditions thereof;

12 k. In connection with any action undertaken by the authority in
13 the performance of its duties and any application for assistance or
14 commitments therefor and modifications thereof, to require and
15 collect [such] fees and charges as the authority shall determine to
16 be reasonable, including, but not limited to, fees and charges for the
17 authority's administrative, organizational, insurance, operating,
18 legal, and other expenses;

19 l. To adopt, amend, and repeal regulations to carry out the
20 provisions of P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of
21 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),
22 the "Municipal Rehabilitation and Economic Recovery Act,"
23 P.L.2002, c.43 (C.52:27BBB-1 et al.), and P.L.2007, c.137
24 (C.52:18A-235 et al.);

25 m. To acquire, purchase, manage and operate, hold, and dispose
26 of real and personal property or interests therein, take assignments
27 of rentals and leases, and make and enter into all contracts, leases,
28 agreements, and arrangements necessary or incidental to the
29 performance of [its] the authority's duties;

30 n. To purchase, acquire, and take assignments of notes,
31 mortgages, and other forms of security and evidences of
32 indebtedness;

33 o. To purchase, acquire, attach, seize, accept, or take title to
34 any project or school facilities project by conveyance or by
35 foreclosure, and sell, lease, manage, or operate any project or
36 school facilities project for a use specified in [this act] P.L.1974,
37 c.80 (C.34:1B-1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), the
38 "Municipal Rehabilitation and Economic Recovery Act," P.L.2002,
39 c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.),
40 and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

41 p. To borrow money and to issue bonds of the authority and to
42 provide for the rights of the holders thereof, as provided in
43 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401
44 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
45 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
46 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and
47 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.);

1 q. To extend credit or make loans to any person for the
2 planning, designing, acquiring, constructing, reconstructing,
3 improving, equipping, and furnishing of a project or school
4 facilities project, which credits or loans may be secured by loan and
5 security agreements, mortgages, leases, and any other instruments,
6 upon **[such]** terms and conditions as the authority shall deem
7 reasonable, including provision for the establishment and
8 maintenance of reserve and insurance funds, and to require the
9 inclusion in any mortgage, lease, contract, loan and security
10 agreement, or other instrument, of **[such]** provisions for the
11 construction, use, operation and maintenance, and financing of a
12 project or school facilities project as the authority may deem
13 necessary or desirable;

14 r. To guarantee up to **[90%]** 90 percent of the amount of a
15 loan to a person, if the proceeds of the loan are to be applied to the
16 purchase and installation, in a building devoted to industrial or
17 commercial purposes, or in an office building, of an energy
18 improvement system;

19 s. To employ consulting engineers, architects, attorneys, real
20 estate counselors, appraisers, and **[such]** other consultants and
21 employees as may be required in the judgment of the redevelopment
22 utility to carry out the purposes of P.L.1974, c.80 (C.34:1B-1 et
23 seq.), section 6 of P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72
24 (C.18A:7G-1 et al.), the "Municipal Rehabilitation and Economic
25 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007,
26 c.137 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009,
27 c.90 (C.52:27D-489c et al.), and to fix and pay their compensation
28 from funds available to the redevelopment utility therefor, all
29 without regard to the provisions of Title 11A of the New Jersey
30 Statutes;

31 t. To do and perform any acts and things authorized by
32 P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of P.L.2001, c.401
33 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.), the "Municipal
34 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
35 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-235 et al.), and
36 sections 3 through 18 of P.L.2009, c.90 (C.52:27D-489c et al.),
37 under, through or by means of its own officers, agents, and
38 employees, or by contract with any person;

39 u. To procure insurance against any losses in connection with
40 **[its]** authority property, operations, or assets in **[such]** amounts
41 and from **[such]** insurers as **[it]** the authority deems desirable;

42 v. To do any and all things necessary or convenient to carry out
43 **[its]** the authority's purposes and exercise the powers given and
44 granted in P.L.1974, c.80 (C.34:1B-1 et seq.), section 6 of
45 P.L.2001, c.401 (C.34:1B-4.1), P.L.2000, c.72 (C.18A:7G-1 et al.),
46 the "Municipal Rehabilitation and Economic Recovery Act,"
47 P.L.2002, c.43 (C.52:27BBB-1 et al.), P.L.2007, c.137 (C.52:18A-

1 235 et al.), and sections 3 through 18 of P.L.2009, c.90 (C.52:27D-
2 489c et al.);

3 w. To construct, reconstruct, rehabilitate, improve, alter, equip,
4 maintain or repair, or provide for the construction, reconstruction,
5 improvement, alteration, equipping or maintenance, or repair of any
6 development property and lot, award and enter into construction
7 contracts, purchase orders, and other contracts with respect thereto,
8 upon **【such】** terms and conditions as the authority shall determine
9 to be reasonable, including, but not limited to, reimbursement for
10 the planning, designing, financing, construction, reconstruction,
11 improvement, equipping, furnishing, operation, and maintenance of
12 **【any such】** the development property and the settlement of any
13 claims arising therefrom, and the establishment and maintenance of
14 reserve funds with respect to the financing of **【such】** the
15 development property;

16 x. When authorized by the governing body of a municipality
17 exercising jurisdiction over an urban growth zone, to construct,
18 cause to be constructed, or to provide financial assistance to
19 projects in an urban growth zone which shall be exempt from the
20 terms and requirements of the land use ordinances and regulations,
21 including, but not limited to, the master plan and zoning ordinances,
22 of **【such】** the municipality;

23 y. To enter into business employment incentive agreements as
24 provided in the "Business Employment Incentive Program Act,"
25 P.L.1996, c.26 (C.34:1B-124 et al.);

26 z. To enter into agreements or contracts, execute instruments,
27 and do and perform all acts or things necessary, convenient, or
28 desirable for the purposes of the redevelopment utility to carry out
29 any power expressly provided pursuant to P.L.1974, c.80 (C.34:1B-
30 1 et seq.), P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007, c.137
31 (C.52:18A-235 et al.), including, but not limited to, entering into
32 contracts with the State Treasurer, the Commissioner of Education,
33 districts, the New Jersey Schools Development Authority, and any
34 other entity which may be required in order to carry out the
35 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), P.L.2007, c.137
36 (C.52:18A-235 et al.), and sections 3 through 18 of P.L.2009, c.90
37 (C.52:27D-489c et al.);

38 aa. (Deleted by amendment, P.L.2007, c.137);

39 bb. To make and contract to make loans to local units to finance
40 the cost of school facilities projects and to acquire and contract to
41 acquire bonds, notes, or other obligations issued or to be issued by
42 local units to evidence the loans, all in accordance with the
43 provisions of P.L.2000, c.72 (C.18A:7G-1 et al.), and P.L.2007,
44 c.137 (C.52:18A-235 et al.);

45 cc. Subject to any agreement with holders of **【its】** authority
46 bonds issued to finance a project or school facilities project, to
47 obtain as security, or to provide liquidity for payment of all or any

1 part of the principal of and interest and premium on the bonds of
2 the authority or for the purchase upon tender or otherwise of the
3 bonds, lines of credit, letters of credit, reimbursement agreements,
4 interest rate exchange agreements, currency exchange agreements,
5 interest rate floors or caps, options, puts, or calls to hedge payment,
6 currency, rate, spread, or similar exposure or similar agreements,
7 float agreements, forward agreements, insurance contract, surety
8 bond, commitment to purchase or sell bonds, purchase, or sale
9 agreement, or commitments or other contracts or agreements, and
10 other security agreements or instruments in any amounts and upon
11 any terms as the authority may determine and pay any fees and
12 expenses required in connection therewith;

13 dd. To charge to and collect from local units, the State, and any
14 other person, any fees and charges in connection with the
15 authority's actions undertaken with respect to school facilities
16 projects, including, but not limited to, fees and charges for the
17 authority's administrative, organization, insurance, operating, and
18 other expenses incident to the financing of school facilities projects;

19 ee. To make loans to refinance solid waste facility bonds
20 through the issuance of bonds or other obligations and the execution
21 of any agreements with counties or public authorities to effect the
22 refunding or rescheduling of solid waste facility bonds, or otherwise
23 provide for the payment of all or a portion of any series of solid
24 waste facility bonds. Any county or public authority refunding or
25 rescheduling its solid waste facility bonds pursuant to this
26 subsection shall provide for the payment of not less than fifty
27 percent of the aggregate debt service for the refunded or
28 rescheduled debt of the particular county or public authority for the
29 duration of the loan; except that, whenever the solid waste facility
30 bonds to be refinanced were issued by a public authority and the
31 county solid waste facility was utilized as a regional county solid
32 waste facility, as designated in the respective adopted district solid
33 waste management plans of the participating counties as approved
34 by the department prior to November 10, 1997, and the utilization
35 of the facility was established pursuant to tonnage obligations set
36 forth in their respective interdistrict agreements, the public
37 authority refunding or rescheduling its solid waste facility bonds,
38 pursuant to this subsection, shall provide for the payment of a
39 percentage of the aggregate debt service for the refunded or
40 rescheduled debt of the public authority not to exceed the
41 percentage of the specified tonnage obligation of the host county for
42 the duration of the loan. Whenever the solid waste facility bonds
43 are the obligation of a public authority, the relevant county shall
44 execute a deficiency agreement with the authority, which shall
45 provide that the county pledges to cover any shortfall and to pay
46 deficiencies in scheduled repayment obligations of the public
47 authority. All costs associated with the issuance of bonds pursuant
48 to this subsection may be paid by the authority from the proceeds of

1 these bonds. Any county or public authority is hereby authorized to
2 enter into any agreement with the authority necessary, desirable, or
3 convenient to effectuate the provisions of this subsection.

4 The authority shall not issue bonds or other obligations to effect
5 the refunding or rescheduling of solid waste facility bonds after
6 December 31, 2002. The authority may refund its own bonds issued
7 for the purposes herein at any time;

8 ff. To pool loans for any local government units that are
9 refunding bonds and do and perform any and all acts or things
10 necessary, convenient, or desirable for the purpose of the authority
11 to achieve more favorable interest rates and terms for those local
12 governmental units;

13 gg. To finance projects approved by the board, provide staff
14 support to the board, oversee and monitor progress on the part of
15 the board in carrying out the revitalization, economic development,
16 and restoration projects authorized pursuant to the "Municipal
17 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
18 (C.52:27BBB-1 et al.) and otherwise fulfilling its responsibilities
19 pursuant thereto;

20 hh. To offer financial assistance to qualified film production
21 companies as provided in the "New Jersey Film Production
22 Assistance Act," P.L.2003, c.182 (C.34:1B-178 et al.); **[and]**

23 ii. To finance or develop private or public parking facilities or
24 structures, which may include the use of solar photovoltaic
25 equipment, in municipalities qualified to receive State aid pursuant
26 to the provisions of P.L.1978, c.14 (C.52:27D-178 et seq.) and
27 municipalities that contain areas designated pursuant to P.L.1985,
28 c.398 (C.52:18A-196 et al.) as Planning Area 1 (Metropolitan),
29 Planning Area 2 (Suburban), or a town center, and to provide
30 appropriate assistance, including but not limited to, extensions of
31 credit, loans, and guarantees, to municipalities qualified to receive
32 State aid pursuant to the provisions of P.L.1978, c.14 (C.52:27D-
33 178 et seq.) and municipalities that contain areas designated
34 pursuant to P.L.1985, c.398 (C.52:18A-196 et seq.) as Planning
35 Area 1 (Metropolitan), Planning Area 2 (Suburban), or a town
36 center, and their agencies and instrumentalities or to private entities
37 whose projects are located in those municipalities, in order to
38 facilitate the financing and development of parking facilities or
39 structures in such municipalities. The authority may serve as the
40 issuing agent of bonds to finance the undertaking of a project for
41 the purposes of this subsection; and

42 jj. To establish and maintain an "innovation zone program"
43 pursuant to sections 1 through 9 of P.L. , c. (C.) (pending
44 before the Legislature as this bill) for the purposes set forth therein.
45 (cf: P.L.2010, c.28, s.3)

46 11. Section 5 of P.L.2011, c.149 (C.34:1B-246) is amended to
47 read as follows:

1 5. a. The total amount of the tax credit for an eligible business for
2 each new or retained full-time job shall be as set forth in
3 subsections b. through f. of this section. The total tax credit amount
4 shall be calculated and credited to the business annually for each
5 year of the eligibility period. Notwithstanding any other provisions
6 of P.L.2013, c.161 (C.52:27D-489p et al.), a business may assign its
7 ability to apply for the tax credit under this subsection to a non-
8 profit organization with a mission dedicated to attracting investment
9 and completing development and redevelopment projects in a
10 Garden State Growth Zone. The non-profit organization or
11 organization operating a qualified incubator facility may make an
12 application on behalf of a business which meets the requirements
13 for the tax credit, or a group of non-qualifying businesses or
14 positions, located at a qualified business facility, that shall be
15 considered a unified project for the purposes of the incentives
16 provided under this section. For any project located in a Garden
17 State Growth Zone that qualifies under the "Municipal
18 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
19 (C.52:27BBB-1 et al.), or any project located in a Garden State
20 Growth Zone which contains a Tourism District as established
21 pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated
22 by the Casino Reinvestment Development Authority, and which
23 will include a retail facility of at least 150,000 square feet, of which
24 at least 50 percent will be occupied by either a full-service
25 supermarket or grocery store, a business may assign its ability to
26 apply for the tax credit under this subsection to the developer of the
27 facility. The developer may make an application on behalf of the
28 business which meets the requirements for the tax credit, or a group
29 of non-qualifying businesses located at the business facility, that
30 shall be considered a unified project for the purposes of the
31 incentives provided under this section, and the developer may apply
32 for tax credits available based on the number of jobs provided by
33 the business or businesses and the total capital investment of the
34 business or businesses and the developer.

35 b. The base amount of the tax credit for each new or retained
36 full-time job shall be as follows:

37 (1) (a) for a qualified business facility located within an urban
38 transit hub municipality, located within a Garden State Growth
39 Zone, located within an innovation zone established pursuant to
40 P.L. , c. (C.) (pending before the Legislature as this bill)
41 and located in Greater Camden as defined in P.L. , c. (C.)
42 (pending before the Legislature as this bill), or which is a mega
43 project, \$5,000 per year;

44 (b) for a qualified business facility located within a Garden State
45 Create Zone and used by an eligible business in a targeted industry
46 to conduct a collaborative research relationship with a doctoral
47 university within the zone, \$5,000 per year;

1 (2) for a qualified business facility located within a distressed
2 municipality but not qualifying under paragraph (1) of this
3 subsection, \$4,000 per year;

4 (3) for a project in a priority area, \$3,000 per year; and

5 (4) for a project in other eligible areas, \$500 per year.

6 c. In addition to the base amount of the tax credit, the amount
7 of the tax credit to be awarded for each new or retained full-time
8 job shall be increased if the qualified business facility meets any of
9 the following priority criteria or other additional or replacement
10 criteria determined by the authority from time to time in response to
11 evolving economic or market conditions:

12 (1) for a qualified business facility located in a deep poverty
13 pocket or in an area that is the subject of a Choice Neighborhoods
14 Transformation Plan funded by the federal Department of Housing
15 and Urban Development, an increase of \$1,500 per year;

16 (2) for a qualified business facility located in a qualified
17 incubator facility, an increase of \$500 per year;

18 (3) for a qualified business facility located in a mixed-use
19 development that incorporates sufficient moderate income housing
20 on site to accommodate a minimum of 20 percent of the full-time
21 employees of the business, an increase of \$500 per year;

22 (4) for a qualified business facility located within a transit
23 oriented development, an increase of \$2,000 per year;

24 (5) for a qualified business facility, other than a mega project, at
25 which the capital investment in industrial premises for industrial
26 use by the business is in excess of the minimum capital investment
27 required for eligibility pursuant to subsection b. of section 3 of
28 P.L.2011, c.149 (C.34:1B-244), an increase of \$1,000 per year for
29 each additional amount of investment that exceeds the minimum
30 amount required for eligibility by 20 percent, with a maximum
31 increase of \$3,000 per year;

32 (6) for a business with new full-time jobs and retained full-time
33 jobs at the project with an average salary in excess of the existing
34 average salary for the county in which the project is located, or, in
35 the case of a project in a Garden State Growth Zone, a business that
36 employs full-time positions at the project with an average salary in
37 excess of the average salary for the Garden State Growth Zone, an
38 increase of \$250 per year during the commitment period for each 35
39 percent by which the project's average salary levels exceeds the
40 county or Garden State Growth Zone average salary, with a
41 maximum increase of \$1,500 per year;

42 (7) for a business with large numbers of new full-time jobs and
43 retained full-time jobs during the commitment period, the increases
44 shall be in accordance with the following schedule:

45 (a) if the number of new full-time jobs and retained full-time
46 jobs is between 251 and 400, \$500 per year;

47 (b) if the number of new full-time jobs and retained full-time
48 jobs is between 401 and 600, \$750 per year;

- 1 (c) if the number of new full-time jobs and retained full-time
- 2 jobs is between 601 and 800, \$1000 per year;
- 3 (d) if the number of new full-time jobs and retained full-time
- 4 jobs is between 801 and 1,000, \$1,250 per year;
- 5 (e) if the number of new full-time jobs and retained full-time
- 6 jobs is in excess of 1,000, \$1,500 per year;
- 7 (8) for a business in a targeted industry, an increase of \$500 per
- 8 year;
- 9 (9) for a qualified business facility exceeding the Leadership in
- 10 Energy and Environmental Design's "Silver" rating standards or
- 11 completes substantial environmental remediation, an additional
- 12 increase of \$250 per year;
- 13 (10) for a mega project or a project located within a Garden
- 14 State Growth Zone at which the capital investment in industrial
- 15 premises for industrial use by the business exceeds the minimum
- 16 capital investment required for eligibility pursuant to subsection b.
- 17 of section 3 of P.L.2011, c.149 (C.34:1B-244), an increase of
- 18 \$1,000 per year for each additional amount of investment that
- 19 exceeds the minimum amount by 20 percent, with a maximum
- 20 increase of \$5,000 per year;
- 21 (11) for a project in which a business retains at least 400 jobs
- 22 and is located within the municipality in which it was located
- 23 immediately prior to the filing of the application hereunder and is
- 24 the United States headquarters of an automobile manufacturer, an
- 25 increase of \$1,500 per year;
- 26 (12) for a project located in a municipality in Atlantic,
- 27 Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean,
- 28 and Salem counties with a 2007 Municipality Revitalization Index
- 29 greater than 465, an increase of \$1,000 per year;
- 30 (13) for a project located within a half-mile of any light rail
- 31 station constructed after the effective date of P.L.2013, c.161
- 32 (C.52:27D-489p et al.), an increase of \$1,000 per year;
- 33 (14) for a marine terminal project in a municipality located
- 34 outside the Garden State Growth Zone, but within the geographical
- 35 boundaries of the South Jersey Port District, an increase of \$1,500
- 36 per year;
- 37 (15) for a project located within an area determined to be in
- 38 need of redevelopment pursuant to sections 5 and 6 of P.L.1992,
- 39 c.79 (C.40A:12A-5 and C.40A:12A-6), and which is located within
- 40 a quarter mile of at least one United States Highway and at least
- 41 two New Jersey State Highways, an increase of \$1,500 per year;
- 42 (16) for a project that generates solar energy on site for use
- 43 within the project of an amount that equals at least 50 percent of the
- 44 project's electric supply service needs, an increase of \$250 per year;
- 45 (17) for a qualified business facility that includes a vacant
- 46 commercial building having over 1,000,000 square feet of office or
- 47 laboratory space available for occupancy for a period of over one
- 48 year, an increase of \$1,000 per year; and

1 (18) for an eligible business in a targeted industry at a qualified
2 business facility on the campus of a college or university other than
3 a doctoral university, or at a qualified business facility within a
4 three-mile radius of the outermost boundary of the campus of a
5 college or university other than a doctoral university, which facility
6 is used by the business to conduct a collaborative research
7 relationship with the college or university, an increase of \$1,000 per
8 year. The boundary of the campus of a college or university shall
9 be based upon a map appearing in the college's or university's
10 official catalog or other official publication on the effective date of
11 P.L.2017, c.221.

12 d. The gross amount of the tax credit for an eligible business
13 for each new or retained full-time job shall be the sum of the base
14 amount as set forth pursuant to subsection b. of this section and the
15 various additional bonus amounts for which the business is eligible
16 pursuant to subsection c. of this section, subject to the following
17 limitations:

18 (1) for a mega project, an innovation zone established pursuant
19 to P.L. , c. (C.) (pending before the Legislature as this bill)
20 and located in Greater Camden as defined in P.L. , c. (C.)
21 (pending before the Legislature as this bill), or a project in a Garden
22 State Growth Zone, the gross amount for each new or retained full-
23 time job shall not exceed \$15,000 per year;

24 (2) for a qualified business facility located within an urban
25 transit hub municipality or a Garden State Create Zone, the gross
26 amount for each new or retained full-time job shall not exceed
27 \$12,000 per year;

28 (3) for a qualified business facility in a distressed municipality
29 the gross amount for each new or retained full-time job shall not
30 exceed \$11,000 per year;

31 (4) for a qualified business facility in other priority areas, the
32 gross amount for each new or retained full-time job shall not exceed
33 \$10,500 per year;

34 (5) for a qualified business facility in other eligible areas, the
35 gross amount for each new or retained full-time job shall not exceed
36 \$6,000 per year; and

37 (6) for a disaster recovery project, the gross amount for each
38 new or retained full-time job shall not exceed \$2,000 per year.

39 Notwithstanding anything to the contrary set forth herein and in
40 the provisions of subsections a. through f. of this section, but
41 subject to the provisions of paragraph (1) of subsection f. of this
42 section, for a project located within a Garden State Growth Zone
43 which qualifies for the "Municipal Rehabilitation and Economic
44 Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), which
45 creates 35 or more full-time jobs new to the municipality, the total
46 tax credit shall be:

47 (a) for a project which creates 35 or more full-time jobs new to
48 the municipality and makes a capital investment of at least

1 \$5,000,000, the total tax credit amount per full-time job shall be the
2 greater of: (i) the total tax credit amount for a qualifying project in
3 a Garden State Growth Zone as calculated pursuant to subsections
4 a. through f. of this section; or (ii) the total capital investment of the
5 project divided by the total number of full-time jobs at that project
6 but not greater than \$2,000,000 per year over the grant term of ten
7 years;

8 (b) for a project which creates 70 or more full-time jobs new to
9 the municipality and makes a capital investment of at least
10 \$10,000,000, the total tax credit amount per full-time job shall be
11 the greater of: (i) the total tax credit amount for a qualifying project
12 in a Garden State Growth Zone as calculated pursuant to
13 subsections a. through f. of this section; or (ii) the total capital
14 investment of the project divided by the total number of full-time
15 jobs at that project but not greater than \$3,000,000 per year over the
16 grant term of ten years;

17 (c) for a project which creates 100 or more full-time jobs new to
18 the municipality and makes a capital investment of at least
19 \$15,000,000, the total tax credit amount per full-time job shall be
20 the greater of: (i) the total tax credit amount for a qualifying project
21 in a Garden State Growth Zone as calculated pursuant to
22 subsections a. through f. of this section; or (ii) the total capital
23 investment of the project divided by the total number of full-time
24 jobs at that project but not greater than \$4,000,000 per year over the
25 grant term of ten years;

26 (d) for a project which creates 150 or more full-time jobs new to
27 the municipality and makes a capital investment of at least
28 \$20,000,000, the total tax credit amount per full-time job shall be
29 the greater of: (i) the total tax credit amount for a qualifying project
30 in a Garden State Growth Zone as calculated pursuant to
31 subsections a. through f. of this section; or (ii) the total capital
32 investment of the project divided by the total number of full-time
33 jobs at that project but not greater than \$5,000,000 per year over the
34 grant term of ten years; or

35 (e) for a project which creates 250 or more full-time jobs new to
36 the municipality and makes a capital investment of at least
37 \$30,000,000, the total tax credit amount per full-time job shall be
38 the greater of: (i) the total tax credit amount for a qualifying project
39 in a Garden State Growth Zone as calculated pursuant to
40 subsections a. through f. of this section; or (ii) the total capital
41 investment of the project divided by the total number of full-time
42 jobs as defined herein at that project divided by the ten-year grant
43 term.

44 e. After the determination by the authority of the gross amount
45 of tax credits for which a business is eligible pursuant to subsection
46 d. of this section, the final total tax credit amount shall be
47 calculated as follows: (1) for each new full-time job, the business
48 shall be allowed tax credits equaling 100 percent of the gross

1 amount of tax credits for each new full-time job; and (2) for each
2 retained full-time job, the business shall be allowed tax credits
3 equaling the lesser of 50 percent of the gross amount of tax credits
4 for each retained full-time job, or one-tenth of the capital
5 investment divided by the number of retained and new full-time
6 jobs per year over the grant term of ten years, unless the jobs are
7 part of a mega project which is the United States headquarters of an
8 automobile manufacturer located within a priority area or in a
9 Garden State Growth Zone, in which case the business shall be
10 entitled to tax credits equaling 100 percent of the gross amount of
11 tax credits for each retained full-time job, or unless the new
12 qualified business facility would replace a facility that has been
13 wholly or substantially damaged as a result of a federally-declared
14 disaster, in which case the business shall be entitled to tax credits
15 equaling 100 percent of the gross amount of tax credits for each
16 retained full-time job.

17 f. Notwithstanding the provisions of subsections a. through e.
18 of this section, for each application approved by the authority's
19 board, the amount of tax credits available to be applied by the
20 business annually shall not exceed:

21 (1) \$35,000,000 and provides a net benefit to the State as
22 provided herein with respect to a qualified business facility in a
23 Garden State Growth Zone which qualifies under the "Municipal
24 Rehabilitation and Economic Recovery Act," P.L.2002, c.43
25 (C.52:27BBB-1 et al.), or which contains a Tourism District as
26 established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and
27 regulated by the Casino Reinvestment Development Authority;

28 (2) \$30,000,000 and provides a net benefit to the State as
29 provided herein with respect to a mega project, an innovation zone
30 established pursuant to P.L. , c. (C.) (pending before the
31 Legislature as this bill) and located in Greater Camden as defined in
32 P.L. , c. (C.) (pending before the Legislature as this bill),
33 or a qualified business facility in a Garden State Growth Zone;

34 (3) \$10,000,000 and provides a net benefit to the State as
35 provided herein with respect to a qualified business facility in an
36 urban transit hub municipality or a Garden State Create Zone;

37 (4) \$8,000,000 and provides a net benefit to the State as
38 provided herein with respect to a qualified business facility in a
39 distressed municipality;

40 (5) \$4,000,000 and provides a net benefit to the State as
41 provided herein with respect to a qualified business facility in other
42 priority areas, but not more than 90 percent of the withholdings of
43 the business from the qualified business facility; and

44 (6) \$2,500,000 and provides a net benefit to the State as
45 provided herein with respect to a qualified business facility in other
46 eligible areas, but not more than 90 percent of the withholdings of
47 the business from the qualified business facility.

Under paragraphs (1) through (6) of this subsection, with the exception of a project located within a Garden State Growth Zone which qualifies for the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43 (C.52:27BBB-1 et al.), or which contains a Tourism District as established pursuant to section 5 of P.L.2011, c.18 (C.5:12-219) and regulated by the Casino Reinvestment Development Authority, that divides the total capital investment of the project by the total number of full-time jobs at that project, for each application for tax credits in excess of \$4,000,000 annually, the amount of tax credits available to be applied by the business annually shall be the lesser of the maximum amount under the applicable subsection or an amount determined by the authority necessary to complete the project, with such determination made by the authority's utilization of a full economic analysis of all locations under consideration by the business; all lease agreements, ownership documents, or substantially similar documentation for the business's current in-State locations, as applicable; and all lease agreements, ownership documents, or substantially similar documentation for the potential out-of-State location alternatives, to the extent they exist. Based on this information, and any other information deemed relevant by the authority, the authority shall independently verify and confirm the amount necessary to complete the project.

(cf: P.L.2017, c.221, s.2)

12. This act shall take effect immediately.

STATEMENT

This bill calls for the establishment of a program within the New Jersey Economic Development Authority (EDA) to be known as the "Innovation Zone" program. The goal of the program is to encourage high-technology businesses to locate near New Jersey research institutions in certain areas of the State, and to encourage collaboration between high-technology businesses and academic institutions within innovation zones, to the mutual benefit businesses and academic institutions.

The bill directs EDA to enhance incentives available under current economic assistance programs, to the extent possible, for high-technology businesses that locate in innovation zones. The EDA and the Office of the Secretary of Higher Education would also modify existing programs to promote and support collaboration between high-technology businesses and research institutions within innovation zones. The bill also directs the EDA to enlist the support of other State entities to facilitate the concentration of high-technology sectors within innovation zones.

1 Under the bill, the EDA would establish three innovation zones
2 based upon proximity to research institutions located in the Greater
3 Camden, Greater New Brunswick, and Greater Newark areas. The bill
4 defines these areas by naming specific municipalities as follows:

5 "Greater Camden" includes Camden City, Egg Harbor Township,
6 Galloway Township, Glassboro Borough, Harrison Township in
7 Gloucester County, Mantua Township, and Stratford Borough;

8 "Greater New Brunswick" includes East Windsor Township,
9 Ewing Township, Franklin Township in Somerset County, Hopewell
10 Township and Lawrence Township in Mercer County, New Brunswick
11 City, North Brunswick Township, Piscataway Township, Plainsboro
12 Township, Princeton Borough, South Brunswick Township, Trenton
13 City, and West Windsor Township;

14 "Greater Newark" includes Belleville Township, Clifton City, East
15 Orange City, Hoboken City, Little Falls Township, Livingston
16 Township, Montclair Township, Newark City, Nutley Township, and
17 Orange City.

18 The EDA's executive director would recommend innovation zone
19 boundaries to the EDA board for its approval. An innovation zone
20 may be noncontiguous and consist of subzones, each subzone
21 surrounding one or more research institutions. The bill allows the
22 EDA executive director to recommend to the EDA board the
23 designation of additional innovation zones and subzones around
24 research institutions.

25 While the bill provides the EDA with general direction to modify
26 existing programs to enhance incentives for high-technology firms
27 locating in innovation zones, the bill would specifically amend the
28 "Grow New Jersey Assistance Act," P.L.2011, c.149 (C.34:1B-242 et
29 seq.) to enhance incentives available under that act. Under the bill, a
30 business locating a qualified business facility in the Greater Camden
31 Innovation Zone would qualify for the highest base tax credit amount
32 under the Grow NJ Program, \$5,000 per job, per year, and the highest
33 gross tax credit amount under the Grow NJ Program of \$15,000 per
34 job, per year. The bill also provides that a qualified business facility
35 located in the Greater Camden Innovation Zone could annually apply
36 \$30 million worth of GROW NJ tax credits.